



BANCO DE GUATEMALA

PRESS RELEASE

THE MONETARY BOARD KEEPS THE LEADING INTEREST RATE OF THE MONETARY POLICY AT 5.50%

The Monetary Board in its session celebrated on November 30, 2011, decided by unanimity to keep the level of the leading interest rate of the monetary policy at 5.50%, based on the analysis of the domestic and foreign situation, after having heard the Inflation risks balance, as well as the results of the fourth running of the Macroeconomic Semistructural Model and the orientation of the indicative variables of the monetary policy.

The Monetary Board considered that in the foreign scenario, the international financial conditions have worsened that the volatility and uncertainty have become accentuated in Europe and that the evolution of economic growth has deteriorated in the advanced economies. In the same manner, that the projections on the international price of oil remains high, while that of corn and wheat registers moderation.

The Monetary Board took into account that the short term indicators of the domestic scenario (IMAE, exports, imports, tax collection and banking credit to the private sector) continue showing dynamism and that the inflationary risks persist, derived from the behavior of the international prices of commodities (mainly oil), reflected in the inflation forecasts and in the expectations of the economic agents that still remain high.

The Monetary Board declared that the position of the monetary policy will continue toward moderating the inflationary expectations; however, considering the global financial risks, considered it timely at this time to continue with a pause to the leading interest rate adjustments and keep a monitoring of the main economic indicators, in order to continue adopting timely action for the monetary policy, necessary to keep the inflation trajectory from getting further away from the target in the medium term.

Guatemala, November 30, 2011

With a month's delay, a summary of the arguments, presented in each session of the Monetary Board where there is a discussion as to the interest rate of the monetary policy, can be seen on the Web page of the Banco de Guatemala www.banguat.gob.gt